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INTELLIGENCE REPORT

3635

COUNTRY China

SUBJECT Political Information, Shanghai Vendors' Riot

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ORIGIN

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SUPPLEMENT

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Note:

World-publicized riots which swept Shanghai on Saturday 30 November and Sunday 1 December, as far as can be determined, did not originate as anti-American or anti-foreign demonstrations, nor did they take such a turn. No American personnel were involved. In determining the why and wherefore of what actually happened, it is necessary to be extra-cautious in distinguishing among fact, rumor and out-right untruth since: (a) Individuals and groups have attempted to place the blame in such a manner as to further their own interests; (b) During outbreaks of mob violence, eye-witness accounts are less reliable than usual. Two main questions are involved: (a) What happened?; (b) What or who caused the riots? The first question is the easier to answer and of the lesser importance. Explanations to the second question can be divided into four "lines": (1) The riots were the result of a Communist attempt to create trouble and embarrass the Government and are only a prelude to bigger and better revolutions; (2) The riots were instigated by groups within the Kuomintang for selfish purposes or to use the Communists as "scapegoats"; (3) The police are to blame for allowing a minor incident to grow into a city-wide disaster; (4) The deterioration of Shanghai's economic situation in general and the economic plight of the vendors, in particular, are to blame. This report summarizes briefly "what happened" and presents the information advanced to support the four "lines" of explanation.)

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1. The Shanghai Municipal Council last July decided that, owing to the heavy traffic congestion in central Shanghai, street vendors would be prohibited from plying their trade after 1 November. Despite the length of time which they were given to change professions, hawkers continued to operate throughout November. Several hundred were arrested (comment: estimate of the actual number varies) and confined in the Whangpoo and Louza Police Stations. Rumors spread that the men in the Whangpoo Police Station were not being fed, that they were being beaten, that their families were not permitted to see them or bring them clothing, that there was no heat. At 8 a.m. on 30 November relatives of the confined hawkers assembled outside the Whangpoo Police Station to demand their release. By late morning a large crowd had gathered and the Assistant Commissioner of Police informed the assembled that the men would be released. This was accomplished by 2 p.m. However, by this hour a rumor had spread that several men had died of starvation while in jail and the crowd did not disperse. Rioting which followed lasted half of Saturday night, began again Sunday morning and came to a halt by Sunday evening. Rumors had seven killed and more than 100 injured by the end of Saturday. Sunday morning newspapers carried the story of an AP cameraman who, when he attempted to take pictures of twodead bodies, was stopped by policemen

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with fixed bayonets. Final summary found no dead but more than 30 police personnel wounded with civilian casualties estimated at more than 100 wounded and injured. Damages were placed at CN¥500,000,000 including damages to the Kao Sheng Ta printing shop which was burned twice and two large department stores and other shops damaged by the crowds. This figure does not include hospitalization costs to individuals or business losses during the time that stores were forced to cease operations. (Source: American observer; Shanghai Municipal Police C-2; newspapers)

## 2. Information advanced to support belief that riots were Communist inspired:

a. Several "agitators" picked up and searched during the course of the riot were carrying Communist Party identification cards. (Source: Shanghai Woosung Garrison, C-3).

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Comment. Newspaper reports and official statements of city government officials on the cause of the riot referred to "agitators", "undesirable elements", "bandits" and "agents provocateurs" who led the rioters. As the China Weekly Review 7 December states, these terms are "officialese" for "Communists".

b. A current Shanghai rumor holds that among the 221 persons detained in connection with the riot, there are several key Communist figures. (

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c. Another indication that the riots were planned by "undesirable elements", according to the exponents of this point of view, is the number of children and beggars who took part. "Rumor has it that these children were paid CN¥4000 a day plus food to participate." "Of 11 persons arrested by the Whangpoo Police Station on 1 December all have admitted that they were not street vendors and that they received money as a bribe. Adults were paid CN¥6000 and youngsters \$4000. They were bribed to shout the slogan, 'Fight, fight, fight!', to cause shops to close up, to carry on destruction and instigate similar movements." (Ho Ping Jih Pao (和平日報) 2 December. Mouthpiece of the Military Clique.) The Russian language New Life 2 December commenting on a similar report which appeared in the North China Daily News claims "...There is another version, namely that the youngsters... were the children of the 600 arrested street hawkers and that other than mercenary thought prompted them."

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d. The riots were instigated by the Shanghai Citizens' Representative Association in collaboration with the Democratic League and the Shanghai Communist Party. (Source: Shanghai Chinese lawyer with Communist connections; ). The whole plot was under the direction of HSIANG Li-mo (向利莫), head of the Organization Section of the Shanghai Labor Union who was assisted by Communist party members: CHEN Hsing-yung, HUNG Te-sheng and CHU Lin-sheng. All were dressed as vendors, participated in all kinds of activities such as throwing stones at windows and destroying stores. (Chinese Garrison HQ,

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e. Members of the Communist Labor Movement among the vendors helped them to draw up petitions against the police and instigated their families to go to the Whangpoo Police Station. After the crowd had gathered in front of the station, all Communist members withdrew from the scene. After the riot ended on 3 December the Shanghai Communist Committee held a meeting to assess the influence of the Communist Labor Union on the vendors' incident. (Source: Communist party member, )

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f. When the disturbance reached the critical point, the Shanghai Communist Democratic Self-Defense Corps received orders from the Shanghai Communist Political Committee instructing all members to stand by to protect any Communist organization from being attacked by the Central Government. [REDACTED]

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g. CH'EN Chia K'ang (陳家康). Communist spokesman, telephoned a denial to all newspapers that the Communists had anything to do with the riot. [REDACTED]

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h. When the riots ended, hawkers whose stands had not been confiscated returned to business only to have their stands and goods destroyed by marauding groups. Two men involved, when arrested, were found to have a "red grape emblem" sewn on their clothes. [REDACTED]

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3. Information advanced to support belief that riots were instigated by "other groups":

a. Since the San Min Chu I Youth Corps of the Kuomintang, the Central Investigation and Statistic Bureau and the Military Police Special Service Battalion had accomplished no outstanding work, they found it difficult to secure funds from the Government. In order to find some work to do so that they might obtain funds more easily, they sent members to instigate the vendors to create disturbances. When disturbances had occurred, they were sent to put a stop to them, thus giving the Government an impression that they had accomplished some work in suppressing the Communists. The disturbance created on 1 December from 2 to 2:30 p.m. at the Whangpoo Police Station was instigated by the secret servicemen of the Military Police Corps. From 5 o'clock on, the disturbance was instigated by the San Min Chu I Youth Corps. [REDACTED]

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b. The vendors' incident was not a riot planned by the Communists but only a "blind movement" conducted by over-enthusiastic street-vendors and instigated by the local party groups (as named in Paragraph 3a) who want to display their work so as to gain more favor with the Kuomintang Government. The local authorities repeatedly hinted that the riot was led by the Communists so as to avoid being accused of mishandling the whole affair. [REDACTED]

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c. The Wen Hui Pao (文匯報) concluded that the riots were sponsored by the CC Clique as an attack on T.V. Soong who represents the large capitalists. This is why an organized mob was formed to smash windows of the large "capitalist" department stores. The Wen Hui Pao had written a long article elaborating this point of view. This was scheduled to be published on 2 December. It was finally decided not to print the charge since it was feared that further rioting might result. [REDACTED]

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d. Two reporters on Ta Kung Pao (大公報) expressed the same point of view.

e. The Sun Company (one of Shanghai's "big four") was damaged because T.V. Soong, Chairman of the Executive Yuan, holds a large share of stocks in the company. [REDACTED]

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4. Information supporting belief that police were at fault:

a. The police bureau had authorized street-vendors to carry on business at certain designated places. Others had bribed the police to allow them to carry on. However, licensed street-vendors as well as those who had carried on through bribery, were among those arrested. [REDACTED]

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b. About 300 vendors were held in the Whangpoo Police Station. These were worse treated than those in the Louza Police Station. Rumor was that they had not been fed. Actually they were getting food but had to pay the police attendants CN\$3000

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for a loaf of bread. They were beaten by the police. Relatives had to pay CN\$2000 for sending clothing into them. When their families assembled outside the station, they yelled and let them know what was happening to them.

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c. Vendors were given only one meal (brown rice) a day. The police prohibited family members from sending food and clothing to them. There were no sanitary facilities. The caretaker of the detention house charged the vendors 20 to 30 times the market price for the food that was supposed to be given them free. At the Louza Police Station (where no trouble resulted) the treatment was not so harsh.

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d. Failure to check the riots in the earliest stage was attributed to jealousies existing between the various police groups. Members of the Police Bureau did not inform the Shanghai Woosung Garrison Headquarters of the developments until they were out of control at 2 p.m. Saturday afternoon.

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e. WANG Hsien-chin, a City Councillor, said the policeman of the Whangpoo station handled the case improperly from the very beginning and charged them with the responsibility for the spreading of the riot.

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5. Information supporting belief that economic situation should be blamed. (This point of view, expressed by many local sources, is best summed up by newspaper editorials.)

a. Ta Kung Pao (大公報) 2 December stated: (the riot) reflects the grave economic problem which exists in China at the present time. The large number of vendors in Shanghai are composed of refugees from Northern Kiangsu and other rural folks who want to escape conscription. They must have some way to maintain their livelihood....The problem however centers around the conflict between the department stores and the street-vendors. Since the department stores have to pay heavy taxes and other expenditures in order to operate, they are not able to compete with the street-vendors who have smaller capitals and are willing to make less profits...The riot of the Shanghai vendors is not only a problem concerning the local safety of the city, but another sign of a decadent society. The continuing of the civil war, the refugee problem, foreign goods pouring in, the currency inflation, the closing of the factories and shops are all closely related.

b. Chiao Sheng Pao (僑聲報) 2 December said...to clear up the street-vendors in order to improve the traffic conditions is a necessary step, but the Government must first make an objective study of the whole matter stressing the security of the people's livelihood and prosperity.

c. Hsin Wen Pao (新華報) 1 December said in reviewing the riots.... It is now over a year since V-J Day. Still the people are suffering because of economic difficulties.

d. Tung Nan Jih Pao (東南日報) 2 December devoted its editorial on the riots to condemning force as a method of suppressing the street-vendors and outline economic reforms which must be made before the problem can be solved.

e. China Weekly Review 7 December stated: It is our considered opinion that neither the hawkers, nor the Communists can be blamed for the riots...the essential reason...is the poor economic situation in which a larger and larger section of Shanghai's population finds itself each week. Officials... must come to realize that it is not sufficient to hop out of bed bright and early every Monday morning and repeat by rote Dr. Sun Yat-sen's Three Peoples Principles, including the one about the livelihood of the people, and then forget the whole thing for another seven days.

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Note: Rumors continue to circulate in Shanghai concerning the imminence of future riots. Especially after Chinese New Year when many firms will be forced to liquidate with resultant mass employment, trouble is predicted.)